

Senate File 2325 - Enrolled

Senate File 2325

AN ACT

RELATING TO THE NOTATION OF DISCHARGES OF MOTOR VEHICLE SECURITY INTERESTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 321.50, subsection 5, paragraph a, Code 2018, is amended to read as follows:

a. When a security interest is discharged, the holder shall note a cancellation of the security interest on the face of the certificate of title over the holder's signature ~~and~~ or may note the cancellation of the security interest on a separate, notarized release form or letter. The holder shall deliver the certificate of title and the form or letter, if applicable, to the county treasurer where the title was issued. In the case of a security interest that has been delivered by electronic means, the holder shall notify the department or the county treasurer, in a manner prescribed by the department, of the release of the security interest. The county treasurer shall immediately note the cancellation of the security interest on the face of the certificate of title, if applicable, and in the county records system. The county treasurer shall on the same day deliver the certificate of title, if applicable, and the separate, notarized release form or letter, if applicable, to the then first secured party or, if there is no such person, to the person as directed by the owner, in writing, on a form prescribed by the department or, if there is no person designated, then to the owner. The cancellation of

the security interest shall be noted on the certificate of title by the county treasurer without charge. The holder of a security interest discharged by payment who fails to release the security interest within fifteen days after being requested in writing to do so shall forfeit to the person making the payment the sum of twenty-five dollars.

CHARLES SCHNEIDER
President of the Senate

LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2325, Eighty-seventh General Assembly.

W. CHARLES SMITHSON
Secretary of the Senate

Approved _____, 2018

KIM REYNOLDS
Governor